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ORCHE!

JUL 24 1957

25X1 25X1 : Chief of Station,

: Comptroller

- Administrative/Pinance
- Costing of Property Procurement and Insues

25X1 REFERENCE:

- l. The directive transmitted with reference has been reviewed and in our opinion it should accomplish the objective of establishing a device to assure that total assets (cash and property) made available to a project or an activity do not exceed the amount approved therefor.
- The procedure prescribed by the directive results in overstatements of obligations and understatements of unobligated balances of allotments for projects and activities, at least during each quarterly period until the adjustments of allotments and obligations provided for in paragraph 6a have been effected. recognize that for station and base management purposes the recording of property issues as reductions of allotment balances provides a beneficial result since the net remaining amount available for use by the project or activity is reflected. consideration of this matter, it is the view of all interested components at headquarters, however, that the bases should not record such property issue transactions on field allotment control records inasmich as this results in overstating obligations on field allotment reports as well as on headquarters accounts and status of allotment reports. Accordingly, this directive should be changed to prescribe that postings of property issues shall be g made only to the Hemorandum Records provided for in paragraph 6a and to require for station or base management purposes the preparation of a periodic report showing the net balances available in each allotment after reducing the allotments by the property issues as reflected in the Memorandum Records. In this manner, actual adjustments of allotments can be effected as contemplated by the

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directive on a quarterly basis, but records and reports on the status of allotments will not be distorted by the property issue transactions.

In paragraph 4 of reference you make quecific reference to paragraph Sa of the directive and solicit our support relative to the procedures desired when orders or requisitions for material are placed upon headquarters. Established procedures at headquarters would require substantial changes to accomplish the result contemplated by the second sentence of paragraph 38. As you know, property procurements at beadquarters are initially charged to procurement allotments rather than the allotments of individual projects or activities. Property requisitioned from headquarters by field locations operating under FPA procedures is transferred to the FPA location without charge to cost or to any alletment at headquarters. Accordingly, the directive should be smended throughout to provide that property requisitioned from handquarters will be treated in the same manner as property requisitioned from the field supply depot which was purchased and charged against other allotments and carried in stock in anticipation of requisitions from unidentifiable projects or activities (paragraph 2b of directive). This will require at least a medification of paragraph Sa and deletion from the first sentence of paragraph 2 of the words "or at headquarters".

25X1

R. R. SAUNDERS

TAS/FWG/bw (18 July 1957)

Distribution:

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C/RE (Releasing Officer)

(Coordinating Officer)

C/TAS
(Authenticating
Officer)

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MEMORANDUM FOR: Chief, Technical Accounting Staff

18 July 1957

FROM

: Deputy Chief, Finance Division

SUBJECT

: Costing of Property Procurement and Issues

25X1

- l. After reviewing the dated 1 July 1957, with specific attention being given to paragraph 6, it is apparent that the main objective of the directive is to earmark a sufficient amount of each Base's allotment to cover the cost of property issues from stock, which items were not charged to the receiving project (or allotment) at time of acquisition.
- 2. The tone of the directive would indicate that such issues are in the minority and that such transactions are to be recorded in "memorandum account" for purposes of establishing a quarterly allotment adjustment (withdrawal from the Base by the Station) as a means of accomplishing the "earmarking" referred to in paragraph 1 above.
- 3. Inasmuch as such recordings are to be made for memorandum purposes, as a result of periodic analysis of the monthly Property Issues Report and in effect constitutes a schedule of issues by allotment account number, which items are not true obligations subject to recording in the alhotment record of the base, there appears to be little or no justification for reporting such items as obligations on Schedule E, thus requiring subsequent adjustment at both the field level and at headquarters.

Dispatch ladopt the	procedure set	be eliminate forth in Alt	d and that ternative A.	the Station It appears	be advised to that the)
as a whole	uestion involve e. It is assum as been discuss	s a basic po ed that this	licy decision has been re	on which cou ecognized an	ld affect DD/	Ρ
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01 JUL 57 COSTING OF PROPERTY PROCUREMENT AND ISSUES EE/REG ABSTRACT FILE SLIP FORM NO. 44d 1 AUG. 55 USE PREVIOUS EDITIONS 01 JUL 57 COSTING OF PROPERTY PROCUREMENT AND ISSUES EL/ALG ABSTRACT FILE SLIP FORM No. 446 1 AUG. 56 USE PREVIOUS EDITIONS

01 JUL 57

COSTING OF PROPERTY PROCUREMENT AND ISSUES LL/ALG

ABSTRACT FILE SLIP

FORM NO. 44d 1 AUG. 55 USE PREVIOUS EDITIONS

(18)

ROUTING AND RECORD SHEET

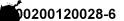
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INDEX

INSTRUCTIONS: Use officer designations in the "TO" column. Number each comment to correspond with the number in the "TO" column. Draw a line across the sheet under each comment. Each officer should date and initial (check mark insufficient) before further routing. This Routing and Record sheet should NOT be removed from the attached RECORD document. FROM: DOCUMENT NUMBER 25X1 DOCUMENT DATE 9 JUL 1957 ROOM DATE OFFICER'S TO NO. RECEIVED INITIALS FORWARDED COMMENTS 10 1000 NOTE: If a copy or attachments are removed from the attached document, note the location of the copy and/or attachment hereon. If this RECORD. COPY is to be retained in the files at the Desk, call the Central File Section for permanent loan. ier w/ast to FD 2 ec w/ast to EC /BUD 5. 6. 7. 8. 10. FILE TITLE 12. FILE NUMBER 13. ENCLOSURE **ABSTRACT**

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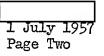
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	· 模型。	DISPATCH NO.
	CLASSIFICATION	
TO Chief, EE FOR:	Deputy Comptrol	DATE 1 July 1957
FROM Chief of Station	1,	. INFO: Chief, Finance Division
SUBJECT (nistrative/Finance ing of Property Procureme	,
2. Since then, of making greater use procedures currently i aimed at finding, to capproved." We likewis Division Chief's object period in those instar equivalent amount of the start of th	continued study of the profession of accounting data obtains a dispatch from a dispatch from a dispatch from the charges of an operative gave cognizance to you of the concerning the tiences in which material was the field allotment being	tion against those planned and ar statement relative to the Budg sing up of funds for an unduly lo as withdrawn from "stock" with ar
		oroduct of this study. We took took took took took took took too
it merely	y reduces to writing the	policy nature. On the contrary policy and procedures already in
informati gleaned f because v in the re	ion concerning use of Sta from the FPA issue report we never knew what portic	ect, within the Station. It will e to management more meaningful ation resources (cash or property es. This was not possible hereto on of the total issues as reflect to charges as contrasted to proper

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- c. We were highly desirous of getting it out effective with the start of the new fiscal year.
- 4. We trust that the directive will meet with your approval and solicit your support, particularly with respect to the provisions contained in paragraph 3a relative to procedures desired when orders or requisitions for material are placed upon Headquarters. Appropriate personnel in the Accounts Branch, Finance Division, should be advised that future FPA reports from the Station will reflect the proper 600.2 charges, but that in some instances the total charge will be broken out in two figures rather than one as previously done for internal Station budgetary utilization.
- 5. Any comments or suggestions which you may desire to make relative to the directive will be most appreciated. 25X1

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Attachment:

dated 1 July 1957

Distribution:

1 - Chief, Finance Division w/att (2 copies)

2 - EE w/att (2 copies)

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1 July 1957 FISCAL Page One 25X1 Memorandum, Logistical Support Rescission: -25X1 of Subsidy and Proprietary Projects, 24 May 1956

Costing of Property Procurement and Issues

PURPOSE AND SCOPE 10

The purpose of this Directive is to establish procedures which will assure that the total costs of projects and activities do not exceed their planned and authorized scope. To do this it is necessary to ensure that the value of supplies and equipment purchased for or issued to such projects and activities is charged against their allotments. This Directive supplements - Pamit

GENERAL 2.

There is no difficulty in applying the costs of items to be purchased in the field or at Headquarters to the appropriate allotment if the cryptonym or allotment account number of the using project or activity is accurately reported on requisitioning or purchase documents. This is accomplished by charging the cost of all expendable or non-expendable material directly to the respective project or activity allotment. There is difficulty, however, if the requisitioned items can be and are furnished from field supply depots. It has been determined, however, that all items in supply depots can be identified as to whether:

- They were purchased for and were originally charged to the allotment of the requisitioning project or activity and are only in storage pending delivery instructions, or
- b. They were purchased and charged against other allotments and are carried in stock in anticipation of requisitions from unidentifiable projects or activities.

It is therefore both desirable and appropriate that projects and activities having authorized allotments be charged for the value of property drawn from supply depots.

REQUISITION OR ORDERS 3.

a. Requisition or orders placed upon Headquarters shall indicate the allotment account number of the project or activity for which the material. is being ordered. The cost of the material will be charged against any

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FISCAT.	Colombia and American American	l July 1957 Page Two
portion of the tota	al allotment retained at Headquarters Equarters will adjust the field allotm	or, if such is Market
depots shall indicator activity and sha	ons or orders placed upon Base, KURIOT the the allotment account number of the contract and statement that sufficient for cover the cost of the items requisit	e using project / Wunds are available / 12
he issur document	2S	/
issued were original project or activity the items represent charged to the Supp	issue documents shall indicate (1) welly purchased and charged against the for which they have been requisition issues from stock, the cost of which ort or other general procurement allow material returned to stock as surplify charged.	allotment of the ed or (2) whether was originally tment or repre-
5. MONTHLY FPA IS	SUE REPORTS	
dollar value of all in paragraph h above previously charged	A Issue Reports shall be summarized to property issues by each of the two ce. The category of issues representito allotment of the project or activial be analyzed to reflect the allotment	ategories defined ng material not ty for which it
6. ACCOUNTING		
ties whose alletmer set up on Memorande reported on Schedul quarterly intervals furnished the COS/C which are to be wit fiture quarterly al COS/Comptroller Sta effected, the Base	of material or equipment issued for put was not charged at the time of procomment Records by allotment account number at the same as eash obligations. At the Memorandum Accounts will be tote emptroller Staff of the amounts, by a hdrawn from existing allotments or willotment advices. Upon receipt of advict that appropriate allotment adjustment adjustm	urement will be and shall be not less than aled and advice llotment account, thheld from ice from the ents have been ations accordingly
tions will be adjus	t quarter of the fiscal year the allo ted at the end of May instead of 30 J ny surplus funds prior to the end of	une in order to
c. The total year should equal to FFA Property Issue	allotment deductions for property iss he cost of issues from stock as shown	ues for the fiscal on the monthly

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For Property purchased at headquarter consider be applied to appropriate alletiment since all procurement at helptro is a garned procurement and helptro is a garned procurement and transferred to field supply depot as a property transfer.

changes to altotrient for prepites drawn from supply depotes will result in overclatements of salarments of balances of funds available) pending quarterly a dijustiments provided for in paragraphs 6.

requisitions from holytro. Also incorrect to states that such material ardered from holytro will be charged to partion of allotment relacion at holytro will ou result in a reduction of a field allotment. We comment be this indicates that the same type of authorization in uply available certification is contimplated as is required needed at holytro arrived I the property arithment al holytro arrived I the property arithment procedure

Ty not evident as to how they accomplish identification

15. This seems to involve as much work to reporting

T.b. Themo records would let sport some as required for

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